

HOUSE BILL 2474
By Sharp

AN ACT to amend Tennessee Code Annotated, Title 49, relative to sports agent registration.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, is amended by adding the following Sections 2 through 17 as a new chapter:

SECTION 2. The title of this act is, and may be cited as the "Tennessee Sports Agent Registration Act".

SECTION 3. Section 49-___-101. Anyone who desires to conduct business in the state of Tennessee as a sports agent must first register with the secretary of state and pay a five hundred dollar (\$500) initial registration fee.

SECTION 4. Section 49-___-102. In order to conduct business in the state of Tennessee as a sports agent, a surety bond in an amount of not less than five hundred thousand dollars (\$500,000) must be posted with the secretary of state.

SECTION 5. Section 49-___-103.

(a) All sports agent registrants shall be required to assent in writing to the long-arm jurisdiction of the State of Tennessee as a condition to the issuance of their registration certificate. The failure to so consent shall result in the denial of such registration.

(b) Issuance of a sports agent registration certificate by the Secretary of State shall be prima facie evidence that the individual to whom the certificate is issued has expressly consented to the long-arm jurisdiction of the State of Tennessee.

SECTION 6. Section 49-___-104. Upon submittal of the registration fee, the posting of the requisite surety bond, and the signing of the consent to jurisdiction form, the Secretary of State shall issue the sports agent registrant a uniform proof of registration certificate which entitles the individual to conduct business within the State of Tennessee as a sports agent for one year from the date the certificate is issued. Beyond the first year of registration, certificates valid for one (1) additional year, and each succeeding year thereafter, may be renewed upon submittal of a two hundred fifty dollar (\$250.00) annual renewal fee. Such certificate shall be then renewed by the Secretary of State upon proof of the continue viability of the proper surety bond.

SECTION 7. Section 49-___-105. As used in this chapter, unless the context otherwise requires:

(1) "Sports agent" means a person, his agents and employees, who directly or indirectly, recruits or solicits any student athlete to enter into any agent contract or professional sport services contract, or who for a fee procures, offers, promises or attempts to obtain employment for any student athlete with a professional sport team or as a professional athlete. The term includes an attorney licensed by any state who acts as a sports agent for any student athlete but does not include an attorney in his capacity as legal counsel for such student athlete in advising such student athlete with respect to contractual matters involving a career in professional sports;

(2) "Conduct business" means any communication between an student athlete and a sports agent, by whatever means, directly or indirectly, for the purpose of entering or soliciting entry into an agent contract;

(3) "Student-athlete" means any person who is enrolled as a student at an institution in the state of Tennessee and who participates individually or as a team

member in intercollegiate sports which are subject to the rules and regulations of such institution's governing national collegiate athletic association; such person shall be deemed to be a "student athlete" for his period of eligibility;

(4) "Secondary or higher education institution" means a public or private institution of higher education, including any college or university, situated in Tennessee.

SECTION 8. Section 49-___-106. Any contract entered into between an unregistered sports agent and a student-athlete shall be void.

SECTION 9. Section 49-___-201.

(a) Prior to contacting a prospective client who is a student-athlete at any institution of secondary or higher education in the State of Tennessee, a sports agent must provide written notice to the athletic director or chief administrative officer of such institution of the intended contact, the purpose behind such contact, and proof of their registration with the State of Tennessee.

(b) This section is not intended to inhibit in any way the right of a student-athlete to initiate contact with a sports agent. However, if the initial contact is made by a student-athlete, then within forty-eight (48) hours of such contact, the contacted sports agent shall notify the athletic director or chief administrative officer of such secondary or higher education institution that such contact has occurred, the reason for such contact, and proof of their registration with the State of Tennessee.

SECTION 10. Section 49-___-202. A sports agent, or anyone working on behalf of such sports agent, may not compensate, either directly or indirectly, a student-athlete or take any other action which may jeopardize the student-athlete's eligibility prior to the signing of a contract with the student-athlete.

SECTION 11. Section 49-___-203. A copy of any contract entered into between a sports agent and a student-athlete must be provided by the sports agent to the athletic director or chief administrative officer of the secondary or higher education institution which the student-athlete

attends within forty-eight (48) hours of the signing of the contract or else the contract is rendered void.

SECTION 12. Section 49-___-204.

(a) Anyone who intentionally or knowingly conducts business as a sports agent in the State of Tennessee without complying with the provisions of this part is guilty of a Class C felony and subject to a maximum fine of five hundred thousand dollars (\$500,000.00).

(b) It shall be a Class D felony for anyone to otherwise conduct business as a sports agent in the State of Tennessee without complying with the provisions of this part. Anyone found guilty of committing a Class D felony under this part is also subject to a maximum fine of two hundred fifty thousand dollars (\$250,000.00).

SECTION 13. Section 49-___-205. Anyone who aids, abets, conspires, or otherwise assists a sports agent in contravening the provisions of this chapter shall be guilty of a Class E felony and subject to a maximum fine of one hundred thousand dollars (\$100,000.00).

SECTION 14. Section 49-___-206. Upon proof that a sports agent or an individual associated with a sports agent has violated any provision of this chapter, then such sports agent's surety bond is subject to total forfeiture to satisfy any judgment rendered against the sports agent.

SECTION 15. Section 49-___-207. Upon judgment by a court of law of this State that a licensed sports agent has violated any provision of this chapter (whether civil or criminal), then the license of such individual sports agent shall be immediately revoked and such sports agent shall not be eligible for a new license for either five years or until the individual is released from the period of incarceration imposed as a result of the violation, whichever is greater.

SECTION 16. Section 49-___-208. The provisions of this part are applicable to any sports agent, whether properly registered or not.

SECTION 17. Section 49-___-209. The criminal sanctions imposed by this part for any violations of this part are subject to increase one felony class if the violation involved an unregistered sports agent, or anyone working on behalf of such unregistered sports agent.

SECTION 18. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 19. This act shall take effect upon becoming a law, the public welfare requiring it.